

Message Text

LIMITED OFFICIAL USE

PAGE 01 LAGOS 01101 041540Z

43

ACTION XMB-04

INFO OCT-01 AF-06 ISO-00 EB-07 COME-00 TRSE-00 OPIC-03

AID-05 RSC-01 /027 W

----- 021291

R 041435Z FEB 75

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 7843

LIMITED OFFICIAL USE LAGOS 1101

E.O. 11652: N/A

TAGS: BPRD, EFIN, NI

SUBJ: EXIMBANK GUARANTEE FOR SALE OF CONSTRUCTION
EQUIPMENT TO SOPROG CONSTRUCTION LTD, LAGOS

REF: STATE 018477

1. EMBASSY HAS NO POLICY OBJECTION TO SUBJECT TRANSACTION.
CONSTRUCTION OF HOUSING FOR BLACK ARTS FESTIVAL AND FOR
SUBSEQUENT OCCUPANCY BY NIGERIANS IS PROJECT DEAR TO FMG'S
HEART.

2. HOWEVER NOT SURE WE UNDERSTAND MECHANICS OF PROPOSED
SOPROG LOAN, ESPECIALLY APPARENTLY DOUBLE GUARANTEE. WE
OF COURSE ARE FAMILIAR WITH EXIM GUARANTEE OF US
COMMERCIAL BANK LOAN BUT DO NOT UNDERSTAND WHAT IBWA IS TO
GUARANTEE OR WHY AND IBWA GUARANTEE IS NECESSARY IN ADDITION
TO EXIM GUARANTEE. FURTHERMORE, IBWA CONFIRMS THAT IT IS
OPERATING A CURRENT ACCOUNT FOR SOPROG (NO CREDIT FACILITIES
YET ESTABLISHED) WHICH HAS BROUGHT INTO NIGERIA IN EXCESS
OF \$800,000 IN OPERATING CAPITAL, BUT BANK SAYS IT HAS NOT
BEEN APPROACHED RE GUARANTEE MENTIONED REFTEL. EMBASSY AND
IBWA WOULD APPRECIATE FULLER EXPLANATION OF THE PROPOSED
GUARANTEE.

3. ANOTHER PROBLEM CONCERNS FULFILLMENT OF SOPROG'S
CONTRACT WITH FMG WHICH WE UNDERSTAND CALLS FOR
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LAGOS 01101 041540Z

COMPLETION OF 1700 UNITS BY TIME OF BLACK ARTS FESTIVAL

IN NOVEMBER. A RECENT EMBOFF VISIT TO HOUSING SITE
REVEALED THAT IN CONTRAST TO NUMEROUS OTHER CONTRACTORS
WHOSE PROJECTS ARE IN VARYING STAGES OF COMPLETION,
SOPROG HAS ERECTED NO MORE THAN A TEMPORARY BUILDING
APPARENTLY USED AS AN OFFICE. SOPROG NOW HAS LESS THAN NINE
MONTHS TO COMPLETE PROJECT AND IF FULL PAYMENT BY FMG IS
CONTINGENT UPON PROJECT COMPLETION BY TIME OF BLACK ARTS
FESTIVAL, SOPROG MAY HAVE A PROBLEM. ON OTHER HAND, AND
IN FAIRNESS TO US FIRM, IT IS NOT UNKNOWN IN WEST AFRICA
FOR PROJECTS WHICH HAVE BEEN GIVEN UP FOR LOST SOMEHOW TO
BE COMPLETED ON TIME. SUGGEST THIS ASPECT BE EXPLORED
WITH COMPANY OFFICIALS IN WASHINGTON.
REINHARDT

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 04 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LAGOS01101
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750040-1031
From: LAGOS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750275/aaaacpeh.tel
Line Count: 74
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 018477
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 27 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 AUG 2003 by ElyME>; APPROVED <15 DEC 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EXIMBANK GUARANTEE FOR SALE OF CONSTRUCTION EQUIPMENT TO SOPROG CONSTRUCTION LTD, LAGOS
TAGS: BPRO, NI
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006